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**AUDITOR**
**GREG KIMSEY**

## Public Works Department

# CLEAN WATER PROGRAM

# Performance Audit

Clark County Auditor's Office

Report No. 03-3
June 18, 2003

**INTERNAL AUDIT DEPARTMENT**
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# Executive Summary

We reviewed the county's Clean Water Program to: (1) evaluate monitoring processes for program accountability; (2) determine whether fee assessments are computed and invoiced in accordance with Clark County ordinances and to assess the effectiveness and timeliness of collection procedures for delinquent fees; and (3) identify opportunities for enhancing program processes.

Program Monitoring for Accountability

We found that during the first three years, the Clean Water Program had no formal processes in place to monitor and track program activity. As a result, progress toward program goals has been slow, and staff have been unable to present the positive results of work that has been accomplished. A change in planning formats, brought about by the Public Works' Department director in 2003, has begun to show more focus on program accomplishments. **We recommend** that staff continue work in this direction, specifically in the development of project tasks, milestones, budgets and related performance measures.

Fee Computation and Collections

In June 2002, we issued an interim report that covered the fee assessment computations and collection actions related to delinquent program accounts. This final report contains updated data related to the fees and collections, but our observations remain unchanged. While assessment and computation of fees are in accordance with the county ordinance, the database used for this process does not contain all the data necessary to make the fee assessments as accurate as they could be. The billing system is not able to produce reports that would facilitate more timely collection activities. **We recommend** that the county continue exploring alternatives to the current billing and receipting system.

Enhancement of Program Effectiveness

There are several opportunities for enhancement of program effectiveness. The more formal processes, recently put into place, require the staff to focus on performance measures related to individual projects. By doing this, staff may be able to develop measures that are outcome based and specific to discrete projects and activities. Managers would then be better able to evaluate mission accomplishment. **We recommend** that outcome based performance measures be developed as part of the planning process currently being implemented.

The Program has been slow to implement Capital Improvement Projects, and funding for these types of projects continues to accumulate. **We recommend** that emphasis be placed on developing and implementing projects that will accomplish program goals.

Other departments or offices working on a reimbursable basis under Memoranda of Understanding with the Clean Water Program are required to submit invoices with supporting documentation on a quarterly basis. We found some invoices were as much as 6 months late. Costs cannot be recorded in correct accounting periods if the invoices are not submitted on time. **We recommend** that departments and offices submit their invoices and support documents in a timely fashion for processing and payment.

## Table of Contents

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# Introduction

In 1999, Clark County implemented the Clean Water Program to comply with the requirements of the federal Clean Water Act. Under the Act, Clark County is required to perform activities for the protection of groundwater, streams, lakes and other surface waters within the county for "beneficial uses"[1] by controlling the adverse impacts of stormwater runoff, primarily excessive stormwater flows and pollutants.

In late 1999, the Board of County Commissioners approved the Clean Water Fee Ordinance, which imposes a fee upon property owners to support the Clean Water Program. The Clean Water Fee Ordinance outlines the basis for calculating fees as the area of impervious ground surface. The Treasurer's Office sent Clean Water fee billings in 2000, 2001 and 2002 to Clark County property owners, some of which remain unpaid. Delinquent notices were mailed in 2001 and 2002.

The public has expressed interest in various aspects of program activity and concerns have been raised about the accuracy of fee calculations and the adequacy of management's system of internal controls over fee collection. Key stakeholders of the Clean Water Program also expressed concern related to these billing issues.

As a result, we were asked to review the Clean Water Program:

- **Monitoring Processes** – To evaluate monitoring processes and tracking systems for program accountability;
- **Fee Assessment Computation** – To determine whether the Clean Water Program fee assessments are computed and invoiced in accordance with Clark County ordinances;
- **Collection Procedures** – To assess the effectiveness and timeliness of collection procedures for delinquent fees; and
- **Recommendations** – To identify opportunities to enhance the effectiveness and efficiency of the Clean Water Program processes.

In addition to these specific objectives, we also reviewed the rate structure used to establish the program fees. Our audit methodology is presented in appendix I.

The results of our work follow.

[1] Beneficial uses includes the drinking water supply, water for business and recreational uses, and for fish rearing, and wildlife habitat.

# The Clean Water Program: Background

Stormwater is the water that runs off any hard surface such as pavement or roofs during a rainstorm. Prior to converting forests and fields to streets, parking lots and buildings, much of the rainfall soaked into the ground and eventually made its way to streams, lakes and aquifers as seeps from springs. Stormwater runoff causes two main problems: (1) stormwater picks up sediment and other pollutants from pavement and other impervious surfaces and washes it into streams and lakes and (2) the increased stormwater flow to streams damages stream habitat.

Two basic approaches are used to control pollutant discharges. One is source control that keeps pollutants from entering stormwater. The second is treatment, which attempts to remove the pollutants already in the stormwater.

The Clean Water Act requires counties and cities with a population greater than 100,000 in the 1990 census to reduce the discharge of pollutants from its stormwater system to the "maximum extent practicable." Under this Act and state law, the State of Washington's Department of Ecology (WDOE) issued a National Pollutant Discharge Elimination System (NPDES) permit that requires the county to develop and implement a stormwater management program. Clark County's stormwater management program identifies activities that the county has historically engaged in to manage stormwater discharges. It also identifies "additional activities" that are required under the terms of the NPDES permit.

A nine-member Clean Water Commission acts as an advisory group to oversee the Clean Water fund and advise the county's Board of Commissioners on stormwater issues. The Commission provides enhanced oversight of the Program and has been working in the public spotlight and behind the scenes to promote greater protection of the local water resources. Commission members are currently considering methods to restructure the stormwater fee to provide incentives to the citizens for actions taken to reduce pollutants in the system.

## *Program Organization*

The Clean Water Program (Program), which is charged with implementation and coordination of permit and stormwater program activities, operates under the Public Works' (PW) Water Resources Section (WRS) and reports to the Public Works Director. The Program uses short- and long-range protection and enhancement programs and services to protect and improve surface water and groundwater quality for beneficial use (drinking water, water for businesses, and water for recreational needs) for the people of Clark County. They promote sound community stewardship of water resources by providing technical assistance, education, and incentives.

The Program currently has 11 regular full time staff and 3 temporary staff, consisting of the:

- Water Resources Manager;
- Office Assistant (OA II);
- Senior Planner (Professional Geologist/Monitoring Coordinator);
- Two Planner IIIs (Water Resources Scientists);
- Engineer III (Stormwater Capital Facilities Engineering);
- Engineer II (Stormwater Database Coordinator);
- Water Resources Scientist II
- Program Coordinator I (Public Education/School Involvement Coordinator);
- Engineering Technician (Stormwater Infrastructure/ArcView Coordinator);
- Waste Reduction Specialist (Business Waste Coordinator);
- Two temporary Water Resources Scientists (0.5 FTE each); and an
- Office Assistant II (Clean Water Program fee at 0.50 FTE).

## *Program Components, Budgets and Expenditures*

The Program is focused in five principle areas: (1) regulations and enforcement; (2) operations and maintenance; (3) water quality monitoring; (4) public involvement and education; and (5) capital improvement projects and incentives. In addition, the Program separates out administration, which includes expenditures related to the billing and collection function, as well as some of the managerial oversight of the other five components. Budgets and expenditures are recorded by these same components.

The budget for year 2000 was based on the 1998-1999 Stormwater Management Plan and the NPDES Permit issued in 1999. While the Program budget anticipated the hiring of additional inspectors and engineers during this first year as part of their ramping up, some of these hires did not all take place until 2001.

The following table presents budget and actual expenditures in total by budget period for all components of the Program. Funds not expended are retained for future capital projects or incentives as determined by the Clean Water Commission and Board of County Commissioners.

*Table 1: Program Budget to Actual for budget years 2000 and 2001-2002*

| | 2000 | 2001-2002 |
|---|---|---|
| Budgeted Expenditures | $3,645,043 | $5,956,411 |
| Reserved for Capital and Incentives | n/a | 2,382,315 |
| Interfund Subsidy (loan repayment) | n/a | 448,000 |
| Capital Outlay (Burnt Bridge Creek retrofit work) | n/a | 70,000 |
| Actual Expenditures for components | 2,279,807 | 5,427,603 |
| Difference | $1,367,236 | $532,811 |

## Expenditures by Component

The following table contains Program expenditures by component and in total for the three years of Program operations. Expenditures in total have gradually risen over time, to just under $3 million in 2002.

The following table presents actual expenditure data by year of activity for each Program component.

*Table 2: Expenditures by Program Component, 2000 through 2002*

| Program Component | 2000 | 2001 | 2002 | Totals | Percent Over Time |
|---|---|---|---|---|---|
| Regulation & Enforcement | $435,468 | $560,226 | $623,078 | $1,618,772 | 21% |
| Operations & Maintenance | 791,264 | 960,904 | 920,358 | 2,672,526 | 35% |
| Water Quality Monitoring | 194,908 | 320,668 | 643,415 | 1,158,991 | 15% |
| Public Involvement & Education | 104,502 | 168,374 | 318,341 | 591,217 | 8% |
| Capital Improvement Projects | 117,980 | 62,698 | 157,168 | 337,846 | 5% |
| Administration | 633,685 | 358,626 | 329,744 | 1,322,055 | 17% |
| Totals | $2,279,807 | $2,433,497 | $2,994,106 | $7,707,410 | 100% |
| Percent Over Time | 30% | 32% | 39% | 100% | |

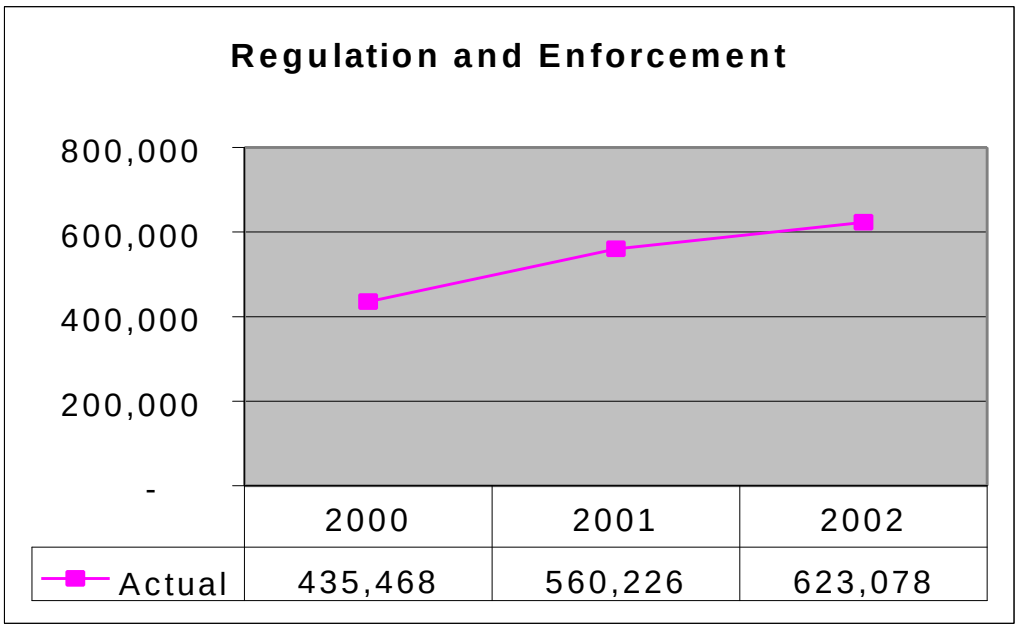
## Regulations and Enforcement

This mandated component of the Program serves several functions. Regulations for new development and redevelopment provide standards to ensure that new development minimizes water pollution by sediment during construction and that completed projects have runoff controls for pollutants as well as established discharge rates. Regulations also have provisions aimed at protecting existing sensitive areas such as wildlife habitat and water bodies.

Clark County stormwater and erosion control codes were revised to conform to WDOE's 1992 State Stormwater Manual for the Puget Sound Basin. Code enforcement for this is carried out by the Department of Community Development. The water quality ordinance was amended to include stormwater facility maintenance standards and practices for all private and public storm sewers.

Other work under this component includes inspections performed by the Department of Community Development. These inspections ensure that building sites conform to the stormwater and erosion control codes and meet the standards and practices that have been put in place. For further information on inspections, see the discussion under Monitoring for Program Accountability, page 16.

The following graph presents actual expenditures for 2000, 2001, and 2002.



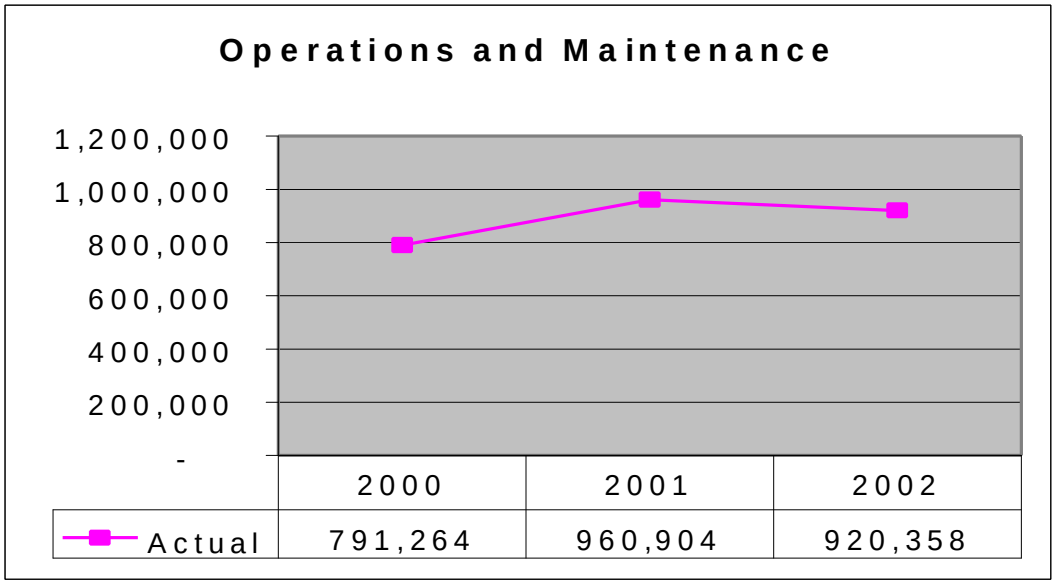
## Operations and Maintenance

The Program includes a strategy for collecting and disposing of street waste that would otherwise enter the county's stormwater system. Under this component, the Program partners with the City of Vancouver and the Washington Department of Transportation to expand and optimize the county's stormwater decant[2] facility.

The Program, under a Memorandum of Understanding with Public Works' Operations and Maintenance (Operations), takes care of ponds, storm sewers, ditches and other drainage facilities owned and operated by Clark County.[3] These activities moved Operations from a reactive maintenance mode to a more proactive and preventative maintenance program as their work related to storm sewers, ditches, culverts, catch basins, drywells and other drainage facilities. It increased street sweepings by about 30 percent.

Work in this area started more slowly than anticipated. For example, the budget for year 2000 included over $1 million for support of stormwater management of the public system – the street sweeping and maintenance of grassy swales, for example. However, spending for these activities was considerably less than expected.

The following graph presents actual expenditures for 2000, 2001, and 2002. These costs include work under the MOU as well as other work performed by Program staff.




[2] A decant facility separates liquid from material collected in the bottom of drywells, catch basins, and street sweepings, as well as other stormwater collection devices. The construction of decant facilities would be a function of the Capital Improvement component of the Program.
[3] For further details see the discussion below under Monitoring for Program Accountability, page 17.

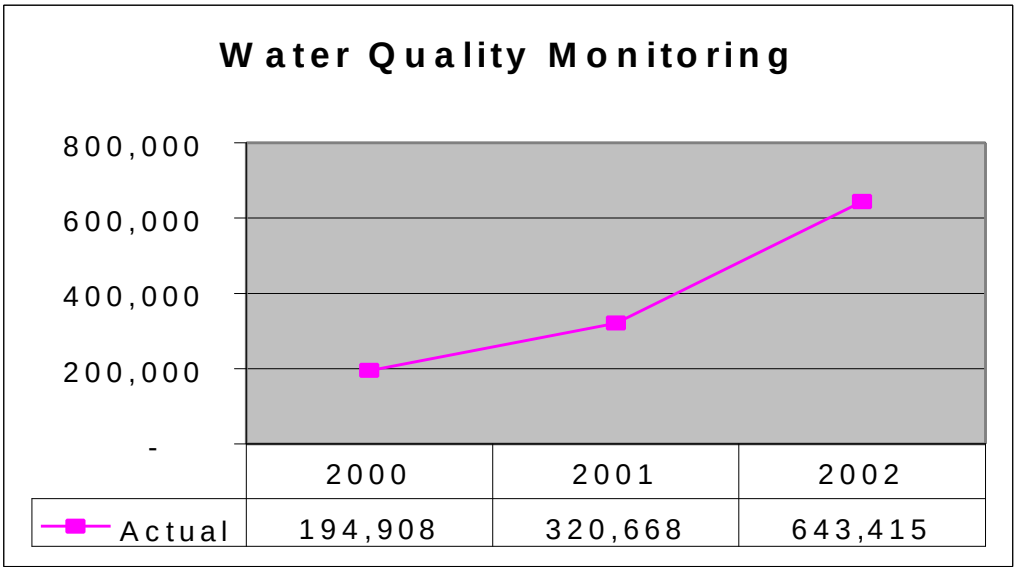
### Water Quality Monitoring

Under this component, the Program works to monitor the effectiveness of activities in reducing pollutants discharged and reducing impacts to surface waters, ground waters, and sediments. Priorities address field evaluation, sampling and analysis, and data management to

- Identify specific sources of pollution;
- Characterize conditions and health of streams and lakes;
- Identify the degree to which stormwater discharges are impacting selected receiving water and sediments; and
- Evaluate the effectiveness of selected Best Management Practices.

Work includes tracking activities such as private storm systems, developing centralized data management and reporting systems[4], and collecting watershed management data. During 2002, for example, the Program hired a consultant to install and maintain flow and rain gauges. Water quality gauges, which provide information on water temperature, turbidity, and bacteria, have also been installed throughout the county and are being monitored. These gauges provide the type of information that will be used in reporting on the health of the county's water.

The following graph presents actual expenditures for 2000, 2001, and 2002.




[4] See discussion of databases in the following section on page 15.

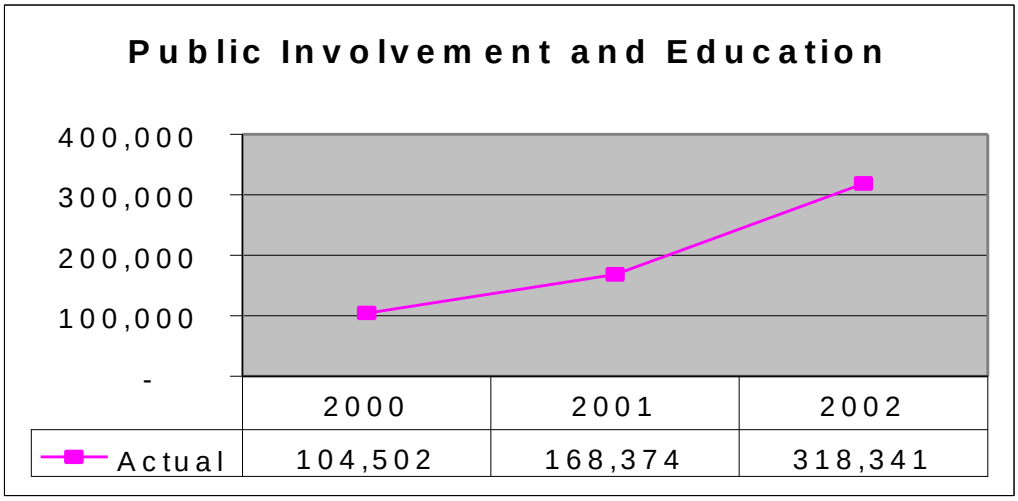
## Public Involvement and Education

Another purpose of the Program is to reduce contaminates in stormwater runoff by increasing the public's awareness of how their actions affect water quality. Activities under this component help the public understand what they can do to protect county water resources. The two main messages that the Program conveys to the public are (1) that stormwater runoff carries contaminants that pollute surface and ground waters, and (2) non-point pollution[5] is everyone's problem because we all live downstream. Work in this component involves citizens, businesses, and students in activities that are designed to reduce pollution. Examples of these activities include

- establishing and maintaining a Watershed Stewards Program in cooperation with WSU Clark County Cooperative Extension;
- providing a small acreage landowner education program, also in cooperation with WSU CC Cooperative Extension, that addresses special issues of residents living on small acreage parcels;
- promoting educational programs for natural lawn and garden care; and
- providing or participating in other school and community-based activities, such as a partnership with the City of Vancouver to expand the student water quality monitoring program in unincorporated Clark County.

The school waiver program is an opportunity for schools to provide water-related education and activities to offset their clean water fee. Activities include presentation of Mother Nature's Garden Puppet Show, River Rangers, Ground and Surface Water, participation in Earth Savers and other water quality monitoring activities.

The following graph presents actual expenditures for 2000, 2001, and 2002.




[5]Non-point pollution is pollution that enters a water body from diffuse origins on the watershed and does not result from discernible, confined, or discrete conveyances.

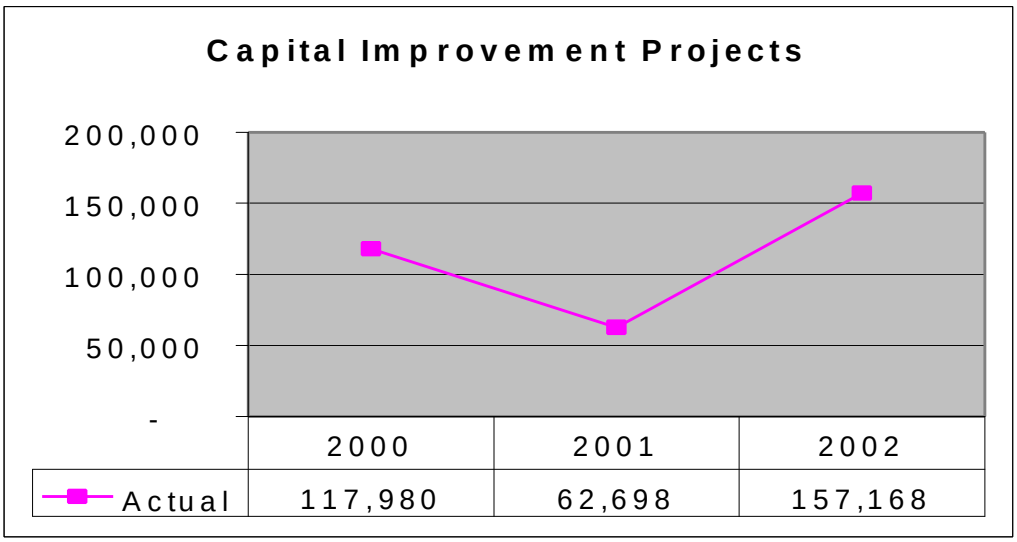
## Capital Improvement Program

The Capital Improvement Program (CIP) component includes the planning, designing, and construction of stormwater facilities to capture and treat stormwater. It also includes partnering with local, state, and other agencies to optimize resources to achieve enhanced removal of pollutants from stormwater. During 2000 through 2002, the Program completed over $260,000 in capital improvements. They

- Constructed and expanded the Clark County Decant Facility, part of the county/Washington Department of Transportation stormwater treatment partnership.
- Increased the size of the holding capacity and treatment of stormwater facilities at NE 29 Avenue.
- Planned and modeled countywide projects, including basin planning for the Salmon Creek and Lacamas watersheds.
- Completed initial mapping and inventorying of the county's stormwater system (field verification will be done next).
- Designed stormwater treatment for the I-205 Bridge crossing over Salmon Creek, Highway 99 and Salmon Creek areas, the Cougar Creek Infiltration Facility and the Thomas Lake Wetland Treatment Facility. These projects will be constructed in 2003 at a cost of about $800,000.

These activities will continue in 2003 with an emphasis on the I-5 corridor. Proposed projects for 2004-05 are shown in appendix II.

CIP work got off to a slow start due to in part to unanticipated right-of-way needs and unanticipated soil conditions that led to redesigning some stormwater projects. Presently there is about $6.5 million available for CIP activities, an amount that will allow the program to build some projects while preserving capital to serve as match for grants and funds for post watershed planning work. The following graph presents actual expenditures for 2000, 2001, and 2002.

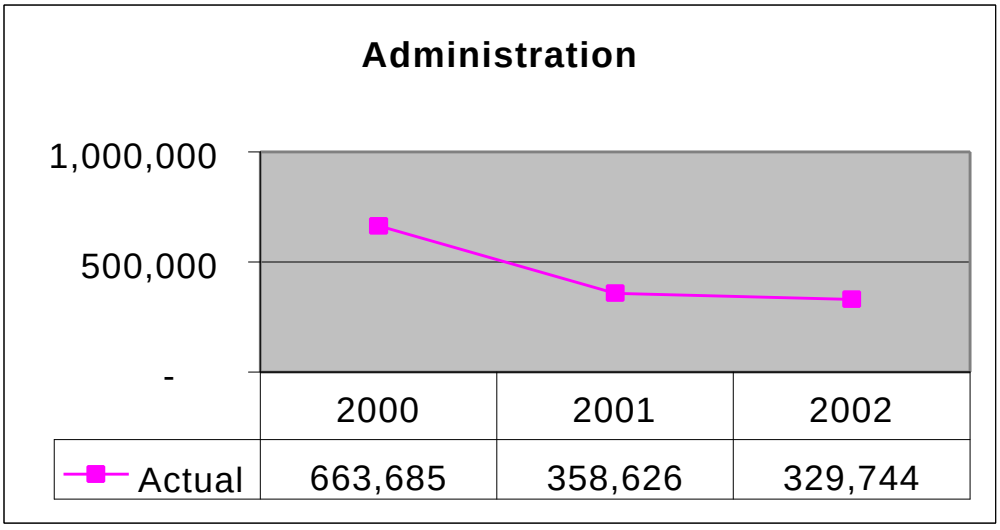


### Program Administration

Rather than allocating certain costs to each of the five major program components, the general administrative costs have been shown as Program Administration. Program Administration includes

- staff support to the Clean Water Commission,
- all program coordination and work related to the Clean Water Program fee billings,
- building rent,
- debt service on the Road Fund loan, and the
- NPDES permit fee[6].

The following graph presents budget to actual expenditures for 2000, 2001, and 2002. In the first year of the Program about one-third of administrative expenditures were incurred to establish the Clean Water Program billing system to collect revenues in support of programs and services. In the first year of the Program, most indirect costs, plus some expenditures related to the education component, were all charged to the Administration work order. Some of these costs are now more appropriately charged to the other components.




[6] The fee varies, but ranges from $30,000 to $33,000 per year.

# Monitoring for Program Accountability

During our initial work we were told that there were no monitoring, tracking, or evaluating processes in place for program activity, with the exception of those activities conducted under Memoranda of Understanding (MOUs), discussed below. Staff held routine meetings to discuss work in progress, but individual projects or activities had no formal plans indicating milestones, outputs, or outcomes. Activities such as maintaining data related to the location of stormwater facilities, sewer outfalls, tributary conveyances and associated drainage areas, or developing maps of land use, and descriptions and locations of major structural best management practices, are essential to determining future actions necessary to promote water quality. Such activities were only in the planning process during the middle of 2001. Without a format for reporting the results of these projects and activities, it seemed difficult for Program management to convey the detailed results of their efforts.

Program staff have made progress in the last year in creating planning documents that include goals and milestones for discrete activities, and in developing databases to house data collected on stormwater infrastructures and water quality. Tasks performed under MOUs are being monitored routinely.

## *Program Activity Coming Into Better Focus*

Since 2003, and at the direction of the department director, program staff have begun using a process similar to that employed by Public Works' Transportation section to formalize the planning and monitoring of program activities. This process, which involves developing data for each activity, will help the staff focus on the important aspects of management including

- Program activity and project goals,
- risks,
- technical and administrative issues,
- task milestones,
- products, and in some cases,
- budgets.

This planning process is documented in a Project Activity Report, or PAR. The PARs will be useful to management as a first step in evaluating and monitoring work performed. Further, the PARs may improve communications with stakeholders and others interested in program accomplishments. As another communication and tracking device, staff are currently preparing a Clean Water "Big Board", based on that used in Transportation, that will contain summary information on all projects in one place as a visual tracking mechanism.

Program staff are now working on a Stream Health Report which will make use of data that has already been collected on stream and other waterways throughout the county. Development of the prototype report has pointed out additional data and analysis needs to Program staff.

## *Capital Improvement Project Design Work Continues*

Capital improvement projects, by their very nature, have three to five year horizons. For example, it may take one year to plan a project, another year to secure the rights-of-way for project construction, another year for permitting, and another year for construction. As a result, construction funds would not be expended until the third or fourth year of program activity. Therefore it is not unreasonable to see lower spending levels in the first few years of the program, with anticipation of greater spending in the upcoming years.

To reach higher spending levels projects had to be designed in accordance with both area needs and the NPDES permit. However, until 2002 there were no agreed upon projects scheduled for implementation and no project selection criteria in place. The PAR approach provides the program a clear method for displaying the types of detail that help management determine what each project will take to implement – in terms of dollars, time, and other resources.

Selection criteria have been drafted and revised over the course of the last two years. While they remain in draft format, they include looking at a variety of project characteristics. For example, consideration is given to projects that

- provide preservation or restoration value for the investment;
- use funds as a match to obtain additional funds or project partners;
- address known pollutants or hot spots;
- provide an environmental benefit while minimizing impacts;
- use or enhance natural processes as much as possible;
- are in basins that are at risk of increase development impacts;
- won't be stopped or slowed by factors such as permitting or land ownership issues, to the extent possible; and
- are cost effective to maintain

Staff developed an approach that involves identification of pilot projects for early implementation, followed by preparation of an interim program of projects for construction with a three to five year horizon. According to staff, once the watershed, or subwatershed, information has been completed, capital plans for each of these areas can be developed as the third stage in the capital plan development. As part of this process, staff will present the plans and selection criteria to the Board of County Commissioners for approval.

Projects being proposed for out-years 2004-2005 are shown in appendix II.

## *Databases Developed to Record and Display Data for Analysis*

One of the principle tasks of the Clean Water Program is to monitor and collect data on streams, lakes and other waterways throughout Clark County. We learned that during the last 18 months, the Program has been working toward the development of four databases that are or will be GIS based – in other words, data will be linked to maps produced through GIS. Two databases, one GIS-based and the other in Access, have already been developed; another Access database is in process and a GIS database is scheduled to begin development mid-year.

ClarkStorm is an ongoing activity. It is populated with stormwater infrastructure data and was developed with the help of GIS. Data is stored on GIS servers and includes any method of stormwater ending up in streams and other water bodies. The Program is about a month away from being available to the general public through the MapsOnline/Clark View program located on the county's web site.

The Inspections database is an Access program comprised of information on private stormwater facility inspections and Technical Assistance/Educational visits to county businesses. This is also an evolving database and is being refined to show inspection locations throughout the county in GIS.

The Water Quality monitoring database development started about 6 months ago. Staff examined possible use of the federal Environmental Protection Agency's on-line database, but found that it did not provide them with the reporting functionality that they desired. Using a grant from WDOE, the Program is working internally with IS and GIS staff to develop a custom product that will allow them to store and transmit data on water quality monitoring results to WDOE. Eventually they would like data to be linked to maps, develop web-based data reporting and viewing, and enable custom queries.

Work to develop an additional database should begin mid-summer. ArcHydro will also be GIS based and will consist of geographical representation of the entire drainage for natural conveyances. This database will have the strongest link to the water quality database. There should be firm objectives in place by the fall of 2003.

The Program's ability to evaluate the effect of actions taken is essential to determine compliance with objectives. These databases with links to GIS should provide staff with the ability to evaluate, analyze and display the results of their efforts to understand and improve the water quality within the county.

## *Tasks Performed under MOU are Well Monitored*

Many Program activities are performed under Memorandums of Understanding (MOU) with other county departments and offices and provide that the Program will fund these activities. The Department of Community Development's (DCD) inspectors, either as a separate action or as part of other building inspection activities, perform inspections for the enforcement of water quality protection regulations. Public Works' Operation and Maintenance Section (Operations) handles other water quality work, such as cleaning streets and catch basins. The billing and collection activities for Program fees are handled by the county Treasurer's Office in conjunction with both the Offices of Assessment and GIS and OBIS.

It takes a great deal of coordination between the Program and other county organizations to ensure that these program components are implemented.

### Department of Community Development Added Inspectors

DCD agreed to provide inspection services as a regulatory enforcement action under an MOU initially signed in 1999. Under this MOU, DCD agreed to assist in establishing a monitoring program to track implementation of the regulatory programs, as well as draft code revisions and bring that code through the adoption process. Code revisions were needed to bring the code to equivalence, including redevelopment requirements with the Stormwater Management Manual.

DCD also agreed to provide inspections, technical assistance, and enforcement of erosion control requirements for development projects. To do this, DCD added

- two code enforcement officers;
- two inspectors in Development Services[7] -- one for erosion control and another inspector for stormwater facilities; and
- one inspector in the Building Department.

To perform these inspections in the most efficient manner, all DCD inspectors routinely include specific reviews of sites for water quality protection measures as they perform other department related inspections. Information from inspections is collected into one or more databases that record all inspection activities for DCD. In this way, department staff can determine what inspection activities are related to Clean Water to be invoiced to the Program.

Under the MOU, Community Development reports quarterly to the Program on each action taken. Quarterly reports, or invoices, are to identify the amount owed for work performed during the quarter, with detailed and summary financial information by activity. Invoices report salaries, benefits, supplies, services, indirect, and equipment expenditures for each category of activities. Program management reviews these

[7] Development Services was re-organized in 2001 in response to a performance audit, and inspection work is performed out of the new Engineering Services section.

invoices prior to authorization for payment. We found that DCD's invoices are often submitted up to 6 months late.

The following table presents the billing amounts by year and by category of inspection or other work performed. Billing amounts are based on salaries and benefits of inspector staff for the number of inspections performed during the billing period. Department administration is pro-rated based on the total department expenditures. These expenditures are included in the Regulation Program component, discussed previously.

*Table 3: Expenditures for Inspection Activities, 2000 through 2002*

| Activities | 2000 | 2001 | 2002 |
|---|---|---|---|
| Code Enforcement | $162,013 | $ 141,224 | $122,019 |
| Building | 76,753 | 108,020 | 127,392 |
| Engineering (Dev. Inspection) | 128,205 | 214,268 | 208,444 |
| Long Range | 15,842 | 442 | -0- |
| Department Administration | 30,035 | 67,310 | 89,181 |
| **Total Expenditures** | $412,848 | $531,263 | $547,036 |

## Public Works Operations Activities Increased

Work related to the operation and maintenance (O&M) of the municipal storm sewers is performed under an MOU with Public Works' Operations organization. Under this MOU, Operations is responsible for those activities addressing the disposal of street waste and decant facilities. The MOU specifies that Operations will

- inspect and clean catch basins and manholes once a year, to maintain hydraulic capacity and to minimize the amount of sediment flushed into streams;
- inspect and clean drywells once every three to five years to maintain design function and prevent localized flooding;
- mow all detention/retention facilities and biofiltration swales at least four times per year for aesthetics/treatment and to preserve the designed hydraulic functions;
- respond to spills in streets and ponds as needed;
- sweep residential streets nine times per year, arterials 12 times per year;
- develop a scheduled preventative maintenance program on roadside ditches and culverts;
- inspect and maintain all storm sewer pipe and pumps
- inspect private facilities once annually for compliance to county standards; develop a computerized maintenance activity tracking program with storm sewer inventory; and
- comply with the Operations and Maintenance requirements in the NPDES permit.

We found that data from these activities are recorded in a spreadsheet. Our review indicated that these records are not normally reviewed or analyzed. We reviewed the data and found entries that were made in error. For example, the street and catch

basin cleaning, performed by Public Works, while captured, has not been examined or analyzed to determine if these actions have been effective in improving water quality. Operations' management believes that there is now less debris found in catch basins – and thus less debris going through to the decant facilities – as a result of the street cleanings, making stormwater runoff "cleaner." It appears that until we questioned the information, no one had examined the specific data on volume of material for relevance to the program goals. Nor had they performed any quality assurance on the data. As a result we could not determine if these activities have resulted in "cleaner water." Operations staff have tightened procedures for data entry as a result of audit inquiries.

Operations forwards billing and fund transfer documents along with spreadsheets comparing actual cost to budget for activities under the MOU. Program management reviews these documents prior to authorization for payment to be made. Generally, Operations submits invoices to the Program on a quarterly basis.

The following table presents the billing amounts by year and by category of work performed. Billings are calculated based on staff hours (salaries and benefits), along with equipment use. Operations administration, or overhead, is pro-rated based on total Operations expenditures. These expenditures are included in the Operations and Maintenance Program component, discussed previously.

*Table 4: Expenditures for O&M Activities, 2000 through 2002*

| Activities | 2000 | 2001 | 2002 |
|---|---|---|---|
| Street Sweeping | $141,684 | $117,316 | $121,807 |
| Swale Maintenance | 115,650 | 110,489 | 114,176 |
| Ponds, Facilities | 164,360 | 193,694 | 224,345 |
| Ditches, Culverts | 91,818 | 105,038 | 79,872 |
| Maintenance Tracking | 15,401 | 39,757 | 933 |
| Private Facilities (billed on reimb. Work order) | 10,835 | 31,402 | 29,800 |
| Catch Basin/ManHole/Dry Well/Sewer Pipe | 93,728 | 108,325 | 141,815 |
| Overhead | 88,627 | 119,657 | 117,664 |
| **Total Expenditures** | $722,103 | $825,678 | $809,807 |

## Fee Billings Requires Coordination with Three Offices

In December 1999, the Program entered into an MOU making the Treasurer's Office the billing agent for the Clean Water fee, as recommended by the Board's task force on the Clean Water Program fee structure. Separate MOUs were established with the Office of Assessment and GIS, while work by OBIS was covered under the MOU with the Treasurer's Office. Specifically, the Local Improvement District (LID) billing system is used to generate Program fee billings based on land use information kept by the Office of Assessment and GIS. OBIS handled the LID system enhancements necessitated by the unique requirements of the program in the first year of fee billing. GIS provides information on land parcels and improvement values for the fee computation.

The following table displays the funding for these activities over the course of the first three billings systems, to date. The cost of fee statement generation, that can be as much as $30,000 per billing cycle, is billed directly to the Program; these are not shown in this presentation. The expenditures in this table are included in the Administration Program component, discussed previously.

*Table 5: Expenditures for Fee Billing and Collection Activities, 2000 through 2002*

| Activities | 2000 | 2001 | 2002 |
|---|---|---|---|
| Fee Payments Processed | 5,658 | 5,393 | 5,847 |
| Customer Service Provided | 11,066 | 29,612 | 27,923 |
| Collection activities | -0- | 27,278 | 75,270 |
| *Subtotal of Treasurer's Office expenditures* | *$16,724* | *$62,283* | *$109,040* |
| OBIS for system enhancements | 117,573 | 0 | 0 |
| GIS reimbursable work orders | 62,032 | 60,516 | 44,932 |
| GIS Partnership fees | 17,419 | 5,367. | 3,613 |
| **Total Funding** | **$213,748** | **$128,166** | **$157,585** |

Note: data through end of March 2003

Further detail on the fee assessment, revenue collected, and delinquent account collection activities can be found separately, below, under Program Fees sections.

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## Performance Measures Could be Improved Upon

Performance measures should allow management to determine if progress is being made toward program goals. They should be outcome based, and provide timely and reliable information on the efficiency and effectiveness of program activities. They should be related to what is most useful, relevant and valid to managers and other users of program information; while at the same time be limited in number and complexity. Both the managers and staff should develop relevant measures as a way to promote buy-in and use. For this reason, measures should be those staff have some control over. Finally, performance measures should be reported internally and externally, and be useful for decision-making and accountability.

For the Clean Water Program, a task force of county employees, in conjunction with Program managers, developed the five performance measures that exist today. However, these are not outcome based. There are no measurement indicators for each of the program components, nor do the existing measures provide indications of achievement of program goals. See appendix III for details on each of these goals.

Performance measures or goals developed were to:

- Meet all NPDES Permit requirements within established time frames
- Spend program dollars effectively
- Effective interdepartmental coordination
- Inform and involve the public in Clean Water issues
- Maintain high level of customer service.

The Program Manager acknowledged that these performance measures were set at a very high level. With the advent of PARs as a planning system staff have an opportunity to develop performance measures for each project that will provide a closer focus and would allow management to better evaluate actions being undertaken. It could be helpful to format new measures around the major components of the Program – Regulatory, Water Quality Monitoring, Operations and Maintenance, Public Education/Involvement, and Capital Improvements -- rather than measures that are more generically based.

For example, if the goal of a project is to identity and construct facilities to protect and restore beneficial uses for water, the staff need to focus on the outcome – some measurement that documents achievement of the goal. In order to do this, the "beneficial uses" need to be clearly identified, as well as the efforts that would be necessary to that achievement. For example, one might be recreation, related to the ability of people to use the water for swimming or fishing. If, for a given water body, there was no use prior to the project, the performance measure might be days of water availability for fishing or swimming. If the project is to protect the water body from pollution, the performance measure might be related to a decrease in the amount of one or more pollutants in the water as measured on a routine and periodic basis.

Designing measures that reflect the types of outcomes that are the objectives of the Program will help focus the work activities more clearly and allow program managers an opportunity to evaluate their work. Performance measures should help managers organize information for better use. It is through the measurement, analysis, and evaluation of performance data that public officials are able to identify ways to maintain or improve the efficiency and effectiveness of activities and provide stakeholders with more objective information on program results.

# Program Fees Based on Impervious Surface

In order to pay for the "additional activities" required by the permit, the Board established a task force to review and recommend a funding plan. In May 1999, when the task force began work examining how to fund the county's new stormwater program under the NPDES Permit it was believed that the cost would be at least $3 million per year. However, by the time the task force submitted its final report to the Board in September of that year, estimates of the cost had risen by $1 million to $4 million per year. A base unit of impervious surface area was computed and used to arrive at a fee, or base rate, for the program.

## *Program Estimates Vary by Extent of Intended Actions*

Department staff examined many levels and types of activities as options for implementation as they organized the Clean Water Program. Estimates of cost associated with activity were also developed. This was a necessary step in the evolution of the rate structure that was presented to the Board of County Commissioners in final form for approval in 1999. This final report based the fee structure on activities that totaled $4 million per year, with a $1 million annual fund reserve contribution for capital improvements and incentive programs.

Cost estimates were developed, based on expectations of what activities might be included in the NPDES Permit. For example, the following table displays cost estimates for a more comprehensive program, by component, over five years. These estimates included activities that were not in the final permit issued by WDOE.

*Table 6: Estimates of Possible Program Activities*

| Program Component | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|
| Regulatory | $1,938,101 | $1,583,901 | $1,408,501 | $1,373,901 | $1,373,901 |
| Operations and Maintenance | 2,581,536 | 3,847,536 | 3,581,486 | 3,578,986 | 3,578,986 |
| Monitoring and Evaluation | 356,100 | 616,100 | 720,100 | 727,900 | 766,100 |
| Public Involvement and Education | 1,150,300 | 1,084,100 | 1,080,000 | 943,600 | 851,600 |
| Capital Improvements | 9,709,500 | 7,022,500 | 1,532,500 | 1,532,500 | 1,440,500 |
| Totals | $15,735,537 | $14,109,137 | $8,322,587 | $8,146,887 | $8,111,087 |

According to the task force report issued in September 1999, the fee was based on an expected scenario that program costs would only be $4 million per year, including an estimate for billing charges and delinquencies.[8]

In the first fiscal note submitted for Clean Water activities, the following amounts were used as estimates of program costs.

[8] Delinquencies were projected to be about $300,000 on $4 million in fee revenue.

*Table 7: Estimates of Program Activities Submitted for Budget Process, December 1999*

| Program Component | 2000 | 2001 | 2002 |
|---|---|---|---|
| Regulatory | $ 793,212 | $ 611,009 | $ 586,297 |
| Operations and Maintenance | 1,147,650 | 1,098,188 | 1,055,941 |
| Monitoring and Evaluation | 365,896 | 580,581 | 715,503 |
| Public Involvement and Education | 458,126 | 567,099 | 437,592 |
| Capital Improvements | 334,610 | 424,222 | 512,336 |
| Other Startup and Admin | 899,261 | 716,478 | 689,016 |
| Totals | $3,998,755 | $3,997,577 | $3,996,685 |

The activities represented by these amounts more closely align with the activities that are found in the final NPDES permit.

## *Computation of the Fee Rate Based on Impervious Surface*

Once activity costs were estimated, the fee rate could be determined. The task force settled on using impervious surface, as had been done for the Burnt Bridge projects. For Clean Water, the base unit became 3,500 square feet – compared to the Burnt Bridge unit of 2,800 square feet – which is the same unit used to determine rates for other land use types in unincorporated Clark County.

Staff created an "average" impervious area based on review of 20 subdivisions built between 1943 and 1998 in unincorporated areas. Total parcel area was determined by using the county's GIS database, along with aerial photographs. Staff digitized rooftops, walkways, driveways, and other impervious surface areas and then computed the difference between the parcel size and the digitized areas for 72 single-family residential lots. While earlier estimates ranged from 2,500 to 3,200, this computed average came to 3,780.

After determining the size of the (equivalent service) base unit, staff computed the total number of units attributable to single-family, multi-family, church, public roads, parks and open spaces, commercial, industrial, and school parcels. From this total, deductions were made to account for possible senior and disabled person exemptions, single-family sliding scales, multi-family units, and exemptions for schools[9] participating in environmental and water quality education programs. This resulted in an estimate of 122,600 units, which was then used to compute the $33.00 base fee for a $4,000,000 program.

[9] School districts must apply to the Public Works Director for a waiver of their fees. Eight out of the ten school districts in Clark County are currently participating by offering environmental education in water quality and non-point source pollution.

## *Ordinance Establishes Program Fee*

The Clark County Board of Commissioners enacted Ordinance No 1999-11-09 on November 8, 1999, creating the Clean Water Program fees for the county.[10] The fee is assessed against all developed parcels within unincorporated areas of the county with improvements having a value of $10,000 or more. Fees for single family residences vary depending upon lot size. Fees for multi-family, commercial, retail and industrial uses are based upon the amount of impervious surface present on the parcel. See appendix IV for fee assessment details.

The ordinance specifies that the county Assessor's records, and other records as necessary, are to be used to measure property as the basis for the fee billing. The County Assessor's and Treasurer's System (CATS) contains this data. In some cases, however, the data is not in a format readily available for this billing process. Additionally, improvement values related to alterations to property may not be available from CATS.

The Treasurer's Office became the billing agent, using the Local Improvement District (LID) billing and receipting system, as they had for Burnt Bridge Creek fees. On an annual basis, the Treasurer's Office, working with Program, GIS, and OBIS staff, send out fee billings, handle phone calls concerning these billings, process payments, and monitor unpaid accounts. See the previous discussion, above, under Tasks Performed Under MOU, on pages 18 and 19. Discussion on collection efforts follows, on page 27.

[10] The Ordinance was amended in April 2000 and again in August 2001. Among other things, these amendments clarified application of the base unit to commercial, industrial or other non-residential lots, applied the fee to the number of residential units in a multi-family dwelling, as well as establishing contingencies for hardship cases, and setting timeframes for appeals.

# Program Fees Are Properly Assessed

In June 2002, we reported that fees are being computed in accordance with the county's ordinance. However, we found that in many cases, problems that arose with fee billings stemmed from the difference in the needs of the Assessor's Office and the Clean Water Program billing structure. For example, the Assessor's Office collects parcel size needed for property tax assessment, but they do not collect information on the amount of impervious surface on or within a parcel. GIS can only estimate this information for the billing process. While steps have been taken to make needed adjustments to the records and there is greater consistency in application, further efforts are needed to ensure the process is consistently applied. Appendix V contains a detailed flow chart of the billing process, showing how data moves from the CATS system into the LID to generate these billings.

We performed limited testing of randomly selected bills from each of the four major land categories – residential, residential large lot, multi-family, and commercial/industrial. We re-calculated the fees based on the geographic data provided by GIS and the Assessor's Office and determined that each item in our sample had been calculated in accordance with the ordinance. We ran a sample of parcels through the billing system and observed the outcome of the automated fee calculations. We did not find any significant discrepancies in our tests.

However, as discussed previously, because the existing records do not contain the type of detail on parcel size or impervious surface required for the Clean Water Program fees, problems continue to arise during the billing cycle. Residents continue to request adjustments for both the parcel size and valuation of improvements or alterations to the land.

## *Existing Records Not Adequate for all Computations*

The Clean Water Program fee is based on the amount of impervious surface measured in square feet. However, the existing records kept by the Assessor's Office contain land information in acres, rather than square feet. In addition, the valuation of all improvements is not captured in the county records. As a consequence, use of the data continues to pose several challenges for the implementing departments. As we noted in our interim report

- Acreage information (parcel size) is only kept to two decimal places. Many bills were challenged because if measurements were in square footage, or carried out to greater than two decimal points, some parcels would have qualified for a lesser fee.
- Property records contain the known value of structures but not the value or extent of alterations to property, which add to its value. This was especially true for

parking lots and for gravel pits or rock quarries. Since the database does not record other land improvements some parcels were not initially billed because the database did not disclose other improvements. For year 2000 bills, if a land parcel were being used as a gravel pit or a rock quarry the entire surface of a parcel was considered impervious and was billed accordingly. Several of these billings were disputed. A revised methodology was upheld by the Hearings Examiner and has been and is being applied to these types of parcels. However, this methodology still has not yet been applied to all quarry parcels, and some have not been billed since 2001.

## *Billing Addresses have been Updated with Positive Results*

The Treasurer's Office planned to take two specific actions to update addresses in an effort to deal with the volume of undelivered statements due to incorrect addresses. One temporary part time staff person was brought on to research address information and update CATS. A change of address file was obtained from the U.S. Postal Service to be used to compare to existing address records. This work was done in conjunction with the Assessor's Office.

Completion of these efforts resulted in noticeable improvements. According to an official in the Treasurer's Office, there was a significant decrease in the number of returned Clean Water Program billing statements. There were about one-third less returned items in 2002 than in 2001. This work also had a positive effect on real property statements, reducing the number of returned or undeliverable items. The Treasurer's Office would like to perform this type of address clean up on an annual basis.

# Overall Collection Rate at 96 Percent

Overall 96 percent of all billed revenues have been collected during the three billing cycles since the inception of this program in 2000. For 2002, over 56,000 statements were generated and sent out to citizens and businesses in unincorporated Clark County resulting in collections of 92 percent. According to the Treasurer's Office, initial billed revenue for 2002, including $1,773,487 transferred from the county Road Fund and $80,661 from the State of Washington for public roads, amounted to $4,529,341. Adjustments of $38,980 have been processed to date[11].

The following table compares various aspects of the billing and collection activities over the course of the first three billing cycles, to date.

*Table 8: Revenue Billed and Collected, 2000 through March 31, 2003*

| | 2000 | 2001 | 2002 | Totals |
|---|---|---|---|---|
| Number of Accounts Billed | 54,363 | 53,614 | 56,075 | |
| Original Amount Billed | $4,635,894 | $4,317,222 | $4,529,341 | $13,482,457 |
| Adjustments to Billed Amounts | ($163,441) | ($81,579) | ($38,980) | ($284,000) |
| Net Billed Revenues | $4,472,453 | $4,235,643 | $4,490,361 | $13,198,457 |
| Revenue Received for Year 2000 | $3,855,747 | $333,323 | $75,252 | $4,264,322 |
| Revenue Received for Year 2001 | -0- | $4,006,962 | $246,511 | $4,253,473 |
| Revenue Received for Year 2002[12] | -0- | -0- | $4,135,800 | $4,135,800 |
| Total Revenue Collected in Year of Collection | $3,855,747 | $4,340,285 | $4,457,563 | $12,653,596 |
| Percent Collected in initial billed year | 86% | 95% | 92% | |
| Total Percent Collected Through 3/31/03 | 95% | 100% | 92% | 96% |
| Number of 30 day letters sent | 3,762 | 1,642 | 2,400 | |
| Number of delinquent accounts[13] | 1,011 | 864 | 2,442 | 4,317 |
| Delinquencies in dollars | $91,869 | $78,318 | $294,256 | $457,593 |

Based on discussions with officials in both the Program and Treasurer's Office, the latest billing cycle went smoother, with less distraught callers. Staff estimate that there were 4,000 callers with questions or concerns about their Clean Water billing in addition to the regular work of the Treasurer's Office. There were fewer adjustments needed to the billings that were sent out and there were less returned items. Collection activities now include use of a collection agency to follow-up on delinquent billings, after 30-day letters are sent to meet the requirements of the Fair Debt Act.

*Notice of Delinquency* letters were sent to all outstanding accounts. Thirty-day letters were sent out, but not as originally scheduled. As reported previously, outstanding year 2001 delinquent accounts were forwarded to a collection agency in September

[11] As of March 31, 2002.
[12] Includes collections through March 31, 2003.
[13] Including bankruptcies and unresolved appeals, as of 3/21/2003.

2002. However, for outstanding 2002 bills, the Treasurer's Office sent out warning letters – albeit later than intended – rather than sending the accounts to collections. After 2003 accounts become due and payment, any outstanding 2002 accounts will be sent to collections.

## *Collections Could Be Enhanced*

Reports that provide additional financial and statistical information on delinquent accounts are needed to help manage the collection process, and help focus collections activities. Aging schedules, trend analysis, and other statistics by land use category would be helpful in targeting collection efforts. In addition, report data needs to be consistent system to system to effect good management controls.

As we reported previously, the modified billing and receipting system used for the Clean Water Program fee billing does not produce these types of reports that would help focus collection efforts. Due to the diligence of the staff, we were able to obtain better data on the current billings cycle (original amounts for example as shown in Table 8, above), not because of better reporting, but because they kept the paper reports from the original billing in response to our request.

## System Reports Remain Unavailable

We learned that the billing and receipting system makes use of the LID system, which has been in place since August 1986. It was initially designed for billing assessments for local improvement districts. Use of this system as a more generic billing system has resulted in making numerous "enhancements" to it. However, none of these enhancements have included design and production of management reports.

The Treasurer's Office acknowledged that the LID had limited management reporting tools when they took on Clean Water Program billings. For example, our review noted that information generated by this system differed by report and the delinquent account report does not "age" outstanding accounts. While this may not be necessary in the early years of the program, it will become increasingly important over time. To know how delinquent a specific account is using the reports currently available, you must look up that account for each year. In addition, interest and penalties are listed separately, so they must also be looked up by individual year. To check on one account in 2002, three reports and two sections within each must be examined – six places. Failure to do so could result in not knowing how much is owed in total. Consistent, useful, and reliable data is key to monitoring any system. Reports from the LID do not provide that type of information.

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# Opportunities and Recommendations

We found several opportunities for increased operational efficiencies. We are recommending continued diligence in developing project plans, consideration of an alternative billing and collection system, development and better use of performance measures, increased emphasis on development and implementation of Capital Improvement Projects, and timely delivery of department invoices as opportunities to improve operations.

- Continued diligence with planning for Program accountability – **We recommend** that staff continue with the conversion of projects into formats similar to those used by the Transportation Section. This PAR format and the "Big Board" – a listing of all projects prominently placed for staff to see and use -- would help focus staff on specific project and program activity in line with program goals and objectives. These documents should include
    - Defined goals and/or purpose statements to help focus efforts and define expected outcomes;
    - Project budgets which can routinely be tracked against actual expenditures, and where variances are examined and discussed;
    - Milestones at the task level which can be used to keep activities on track for completion;
    - Performance measures, as described above; and
    - Expected products.

- Consider alternatives to LID fee billing system to better focus collection efforts – As **we recommended** in our interim report, the county should consider alternatives to the current billing and receipting system. The existing system, the Local Improvement District, or LID, is now 16 years old and supported by the county's mainframe. OBIS staff indicated that the vendor might not support the mainframe after 2006. Additional modifications or enhancements could be costly, especially since they would be short-lived due to the scheduled obsolescence of the hardware. Importantly, a new system should be able to produce reports that provide additional financial and statistical information on delinquent accounts that are needed to manage the collection process. This would allow managers to focus their collection efforts more efficiently.

- Enhance Program effectiveness with outcome based performance measures – **We recommend** that staff develop outcome based performance measures that provide

information about the outputs and outcomes of services provided and the relationship between the use of resources and those outputs and outcomes. These measures should be developed by the staff that are working with the programs, should be reported upwards to all stakeholders, and should reflect the goals of the program. They should not be reviewed just annually, but be a part of the development, review and management of all projects. Performance measures could be used in developing databases and determining the type of information to be collected and subsequent analysis performed.

- Enhance effectiveness by focusing on Capital Improvement Projects – **We recommend** that additional emphasis be placed on implementing capital improvement projects. To date, progress in this area has been extremely slow and funds have been accumulating. This reflects badly on the program and its ability to implement measures under the county's stormwater management plan. Projects should include those related to understanding the needs of the many watersheds located in Clark County.

- Require Timely Invoices Under MOUs – **We recommend** that department invoices for work performed under MOUs be submitted in a timely fashion and in line with the requirement for quarterly billings. This ensures that costs are recorded in the time periods in which they were performed and results in financial accounting that accurately portray the efforts and accomplishments related to the Clean Water Program.

## Department Comments

We provided Public Works, the Treasurer's Office and the Prosecuting Attorney's Office with a copy of the draft report for their review and comment. We discussed the draft report with the Public Works' Director and obtained several technical comments that have been incorporated throughout the text. In addition, the Director provided written comments for inclusion with this report. These comments can be found in appendix VI.

Both the Treasurer's Office and the Prosecuting Attorney's Office had no technical corrections or other comments on the draft and generally agreed with its content.

## Concluding Statements

We wish to thank the staff and program management in all the departments and offices involved in the Clean Water Program for their assistance in this audit.

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# Appendix I: Scope and Methodology

In performing this review we worked with management and staff in the Public Works (PW) Department, the Department of Community Development (DCD), the Treasurer's Office (TO), the Office of Assessment and GIS (A/GIS), the Office of Budget and Information Systems (OBIS), and the Prosecuting Attorney's (PA's) Office. We interviewed Elected Officials, Directors, Program Managers, and other officials to obtain program descriptions and observations on program objectives, elements, and accomplishments. We reviewed various documents on program activities and consulted with similar programs in other jurisdictions. We issued an interim report in June 2002 and performed our work between September 2001 and March 2003.

Our first objective was to evaluate existing monitoring processes and tracking systems for the Clean Water Program accountability. We interviewed program managers to determine what processes were in place and obtained and reviewed documentation related to these processes. We reviewed and discussed the performance measures that were created at program inception and how these were being used in the management process. We reviewed documentation available through Internet searches from other, like programs across the United States and discussed work under the Clean Water Act with officials in other organizations as a comparison with how our program was operated.

To review work performed under memorandums of understanding, we obtained and reviewed the MOU documents that were established by the Clean Water Program managers. We interviewed those individuals in the Department of Community Development and the Operations and Maintenance managers and staff responsible for implementing work for the Clean Water Program under those MOUs to determine how work was accomplished, recorded and reported back to the Clean Water Program. We reviewed relevant documents created in this process and made relevant suggestions for improvement where that was pertinent.

Our second objective was to determine whether the Clean Water Program fee assessments were computed in accordance with Clark County ordinances. We reviewed the ordinance to determine the specifications for billings. We discussed the process and the strengths and weaknesses of the systems with officials and staff in the departments charged with producing the bills and with the Pas office. Finally, we tested the billing processes and the system through which it runs by randomly selecting a sample of billings by parcel category and performing certain auditing tests. Specifically, we

- Manually re-calculated the billing amount of reach item in our sample;
- Examined the GIS aerial photographs to determine if the data upon which the billing was based appeared to be correct; and
- Ran our sample items through the county's mainframe and created a billing file to determine if the computerized billing and receipting system would produce the same fee amount as it billed for 2001.

With the exception of some minor differences related to cents, we found no discrepancies or billings errors as a result of our tests.

Our third objective was to assess the effectiveness and timeliness of collection procedures for delinquent fees. We interviewed pertinent officials and staff in Public Works' Clean Water Program Office, the Treasurer's Office, the Office of Assessment and GIS, and OBIS. We obtained available data related to the billings, including the number of accounts billed and the amount of revenue billed and collected by year. We obtained and reviewed available management reports that provided information on collections and accounts outstanding, existing written policies or procedures, and other relevant documentation.

We wish to thank the management and staff in the Treasurer's Office, the Office of Assessment and GIS, OBIS, and the Public Works Department, along with the Prosecuting Attorney's Office. Without their assistance and cooperation we would not have been able to complete this work.

# Appendix II: Proposed Capital Improvement Projects for 2004-05

The following projects are being planned for out-years, 2004-2005. The fold-out map indicates the location of these proposed projects by their project number. For map online, go to http://www.clark.wa.gov/auditor/perfaudits.htm or click here.

| Project No. | Project Name | Description | Watershed/Sub-watershed | Estimated Cost |
|---|---|---|---|---|
| 200 | NE 99th Street/NE 25th Ave Stormwater Facility Retrofit | Retrofitting existing stormwater facility for water quality | Salmon Creek/Tenney Creek | $50,000 |
| 204 | Maplewood Meadows Stormwater Facility Retrofit | Restore volume to existing stormwater facility | Salmon Creek/Tenney Creek | $50,000 |
| 205 | Bliss Rd/NW 36th Ave Stormwater Facility Retrofit | Retrofit existing stormwater facility for water quality | Salmon Creek/Main Stem | $45,000 |
| 207 | Salmon Creek Lowland Outfalls | Incorporate treatment of outfalls into restoration | Salmon Creek/ Main Stem | $73,025 |
| 209 | Suds Creek Stormwater Facility Expansion | Expand existing facility on county land | Salmon Creek/Suds Creek | $75,000 |
| 210 | Treatment channel @ NE 179th Ave/NE 199th Street | Add treatment to existing channel | Salmon Creek/Main Stem | $250,000 |
| 301 | Mill Cr/29th Ave Stormwater Facility | New facility/flood plain enhancement | Salmon Creek/Mill Creek | $500,000 |
| 302 | Scheuler Stormwater Facility | New facility/flood plain/wetland enhancement | Salmon Creek/Curtin Creek | $300,000 |
| 303 | West Suds Creek Flow Reduction | Infiltration facility | Salmon Creek/Suds Creek | $406,384 |
| 304 | Gee Creek Regional Stormwater Facility | New stormwater facility/flood plain/wetland enhancement | Gee Creek | $2,576,575[14] |
| 305 | Allen Creek Regional Stormwater Facility | New stormwater facility/flood plain/wetland enhancement | Allen Creek | $716,195 |
| 306 | Pebble Creek Farms Infiltration Facility | Regional infiltration/treatment facility | Burnt Bridge Creek/Sifton-Orchards | $661,607 |
| 307 | Cougar Creek Infiltration (Phase II) | Infiltration facility | Salmon Creek/Cougar Creek | $387,033 |

[14] Dependent on land availability

| | | | | |
|---|---|---|---|---|
| 308 | Lalonde Creek Stormwater Facility | Detention pond/swale | Salmon Creek/Lalonde Creek | $262,160 |
| 309 | North Salmon Creek/Hwy. 99 Stormwater Facility | Swale/filters | Salmon Creek/Main Stem | $484,188 |
| 310 | Salmon Creek Historic Channel | Retrofit abandoned channel for treatment | Salmon Creek/Main Stem | $293,561 |
| 402 | I-205/NE 119th Street Stormwater Facility | New stormwater facility/wetland enhancement | Salmon Creek/Lalonde Creek | $445,000[15] |
| 403 | Eat Fork/I-5 Bridge Treatment | Install water quality treatment | East Fork/Main Stem | $130,000 |
| 404 | SR-503/NE 76th Street Treatment | Retrofit existing infiltration facility for water quality | Burnt Bridge Creek/Sifton-Orchards | $160,000 |

[15] Projects 402 and 403 are potential joint projects with Washington State Department of Transportation to meet state law.

# Appendix III: Performance Measures Initially Developed

The following table displays the performance measures that were developed at the program's inception.

| Goals | Objectives | Resource Inputs | Products Outputs | Preferred Results | Measures |
|---|---|---|---|---|---|
| Meet all NPDES Permit requirements within established timelines<br>• Regulatory<br>• Monitoring<br>• Operations & Maintenance<br>• Public Education/ Involvement<br>• Capital Improvements | • Establish and track compliance measures by Permit components and program elements<br>• Develop information systems<br>• Identify assignments to meet Permit requirements | • Expenditures<br>• Number of people<br>• Equipment, facilities | Annual Report<br>• # of completed projects<br>• # of activities<br>• Inspections<br>• Site visits<br>• Sweeping<br>• Cleaning<br>• Code enforcement actions<br>• Stormwater facilities built/ maintained<br>• Special projects<br>• SWMP development<br>• Inventories completed<br>• Additional hours for enhanced level of activities<br>• Standardized format for data gathering and compilation<br>• Standardized documents and input for each Permit activity and program element | • NPDES Permit compliance<br>• Complete periodic reports that demonstrate permit compliance<br>• Credible information for the public and managers | 100% permit compliance |
| Spend program dollars effectively | Complete/ establish:<br>• Baseline costs/unit | • Expenditures<br>  • Baseline level of service | • Financial and activity tracking systems<br>• Permit activities<br>  • Inspections | • Documented costs per unit or activity<br>• Fiscal accountability | Documented cost per unit or activity – continuous improvement trend |

| Goals | Objectives | Resource Inputs | Products Outputs | Preferred Results | Measures |
|---|---|---|---|---|---|
| | • Verification of continuos improvement<br>• Show results for the dollars spent<br>• Leverage public and private funding sources<br>• Maximize the use of dollars through grants and zero/ low interest loans<br>• Streamline processes for fiscal efficiency | • Enhanced level of service<br>• # of people, hours<br>• Equipment and facilities<br>• Revenues<br>  • Fee-based<br>  • Grant / Donation<br>  • In-kind services | • Site visits<br>• Sweeping<br>• Cleaning<br>• Code enforcement actions<br>• Stormwater facilities build<br>• Projects completed | • Demonstrated use of dollars in the public benefit<br>• Additional outside funding secured<br>• Clear and understandable financial report | (schedule inventory components completion)<br>Program $'s per capita (baseline) |
| Effective interdepartmental coordination | Coordinate interdepartmental communications to ensure effective and efficient utilization of resources | • Expenditures<br>• # of people, hours<br>• Equipment and facilities | • Frequently Asked Questions document (FAQs) for internal use<br>• Development of acceptable performance measures by the departments/divisions | • Centralized source of information<br>• Minimize duplicate efforts (use of systems accessible by many) | Departments satisfied with process (annual survey) |
| Inform and involve the public in Clean Water issues | Efficient and coordinated public outreach/ education effort<br><br>Development of a | • Expenditures<br>• # of people, hours<br>• Equipment and facilities | Public Information/ Education plan:<br>• Communicate correspondence from Clean Water Program Coordinator to FYI newsletter<br>• # public meetings<br>• # of brown bag sessions | • Public outreach that gives equal opportunities to participate<br>• Public education that | Percent of population having a general understanding of program (survey) – continuous |

| Goals | Objectives | Resource Inputs | Products Outputs | Preferred Results | Measures |
|---|---|---|---|---|---|
| | clear, accurate, and consistent message | | • # of opportunities for public involvement<br>• # of educational opportunities arising from unsolicited public inquiries<br>• Method of documenting -- a contact tracking system<br>• Other documentation – i.e. brochures<br>• # website hits | uses different media to reach all segments of the population across geography, learning level and ages<br>• All information available via the internet | improvement trend)<br><br>Satisfaction with receipt of clear, accurate, and consistent information<br><br>Percent increase in public education and involvement activities – continuos improvement trend |
| Maintain high level of customer service | Develop customer service standards for each program element<br><br>High level of responsiveness, referrals made as | • Expenditures<br>• # of people, hours<br>• Equipment<br>• Contacts<br>  • Calls<br>  • Correspondence | • Contact tracking system<br>• Departments will provide good service through being responsive, referring as appropriate and documenting contacts<br>• Documentation of public outreach efforts (brochures, meeting notes, etc.)<br>• FAQs | • Customer service delivery plan and protocol-standardized processes to resolve service issues<br>• Citizen satisfaction with program | |

| Goals | Objectives | Resource Inputs | Products Outputs | Preferred Results | Measures |
|---|---|---|---|---|---|
| | appropriate, and contacts are documented | • In person | • # of website hits<br>• Response time | services<br>• Improved perception by the public with new program – reduction in public complaints after the first year | |

# Appendix IV Full Fee Schedule

After a series of public meetings and analysis of public comment on options for financing the Clean Water Program, the Clean Water Commission presented this option to the Board of County Commissioners as a viable financing method for the program. The Board duly reviewed the option and authorized these fees via Ordinance No. 1999-11-09 on November 8, 1999.

This ordinance states that:

> The service charges shall be based upon the relative contribution to increased surface and stormwater runoff from developed parcels and based upon the land use of the parcel. The service charge shall be imposed on all developed parcels within the unincorporated areas of the county with improvements having a value of $10,000 or more. Land uses are categorized as single-family residential lost, single-family residential large lots, multi-family residential lots, commercial, industrial, and other nonresidential lots, and undeveloped lots. A base unit is used to calculate the service charge for each lot. The base unit is 3,500 square feet of impervious surface area that is the average impervious surface area for single family residential lots within the urban growth area of the county. The annual service charge imposed for each base unit of impervious surface area is $33.00.

The following is the authorized schedule of annual charges.

| | Land Use Category | Annual Service Charge Rate |
|---|---|---|
| 1. | Single-family residential detached | $33.00/single-family residence |
| 2. | Single-family residential large lots: | |
| | More than 0.5 acre to 1 acre | $29.70 |
| | More than 1 acre to 5 acres | $26.40 |
| | More than 5 acres to 20 acres | $23.10 |
| | More than 20 acres | $19.80 |
| 3. | Multi-family residential lots | $33.00 X # of base units or portion thereof |
| 4. | Retail, commercial, offices, churches, hospitals, airports, public or private utility installations, pubic or private schools, golf courses, government structures, other public facilities, subject to RCW 90.03.525, industrial, manufacturing and railroad right-of-way, county rode, and street right-of-way | $33.00 X # of base units or portion thereof |
| 5. | State highways | $10.89 X # of base units or portion thereof subject to RCW 90.03.525 |

For the purpose of defining total land are of properties in land use category numbers 4 and 5 above, the storm and surface water program shall use the county Assessor's current records and such other records as necessary to measure the property to within one hundred square feet.

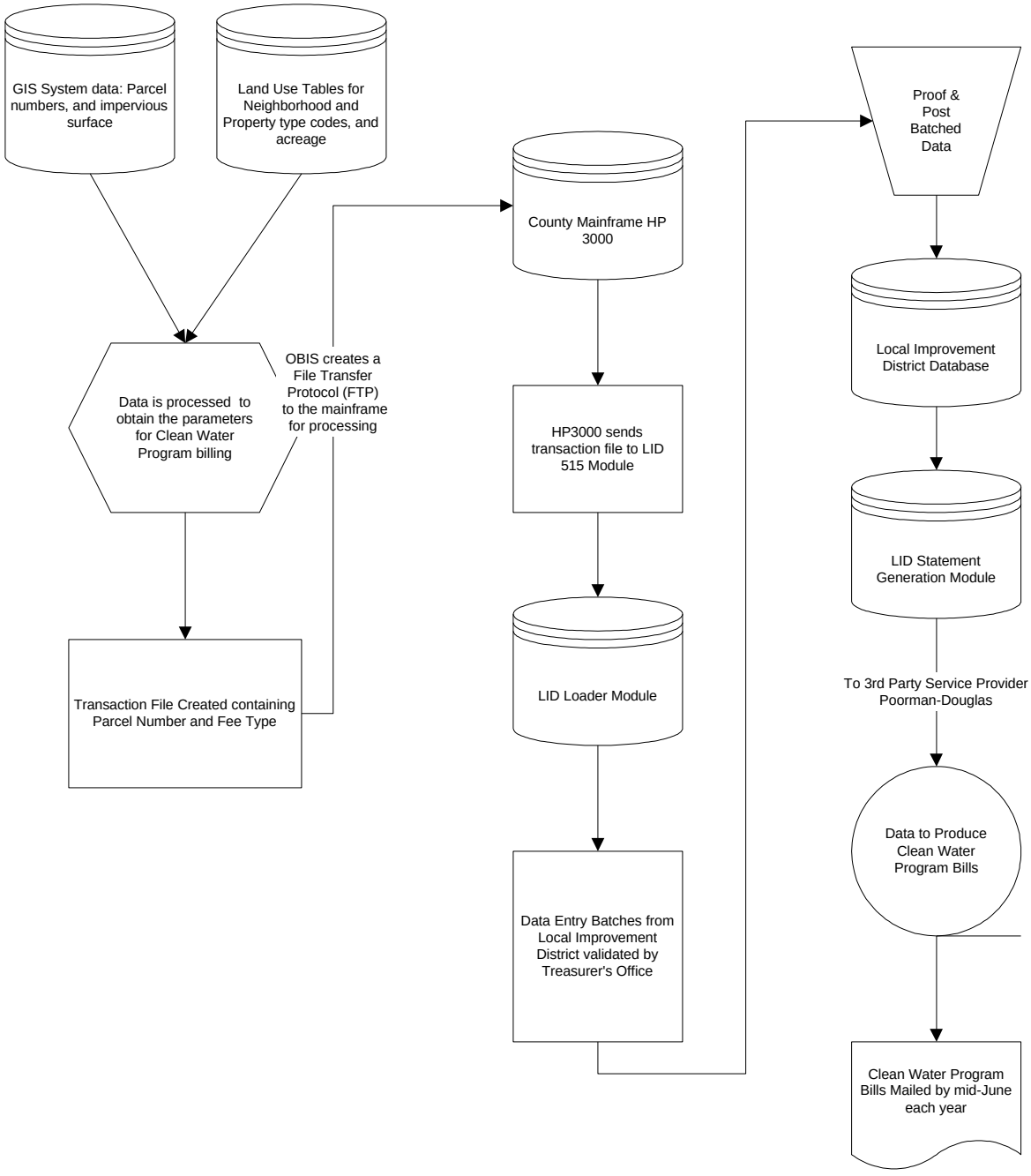
Public and private schools may apply for a reduction of the applicable service charge if they

- educate students to the human activities and land use practices leading to these water problems by providing students with first-hand exposure to the difficulties of such problems after they occur, and
- comply with best management practices for their own facilities and activities as set forth in the county's best practices manual.

The reduction shall be based on the nature and extent of the programs, facilities and activities provided, the extent to which the programs, services and facilities mitigate the impacts of surface and stormwater runoff and any other matters that are relevant to managing surface and stormwater.

There are reductions in the charge allowed for low-income senior citizens. Single-family residential dwellings qualifying for hardship status pursuant to CCC 18.413.010 are not subject to a service charge.

# Appendix V: Fee Process Diagram



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# Appendix VI: Department Comments

The Department of Public Works would like to express our appreciation to Linda Bade and the Auditor's office for the hard work and dedication that we observed during the performance of this audit. Linda spent countless hours reviewing information and interviewing staff to develop an excellent understanding of the Clean Water Program. As a result, the findings and recommendations are welcomed and will help us to develop an even better program to serve the constituents of Clark County.

Thanks,
Pete

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